

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6940

BILL NUMBER: SB 474

NOTE PREPARED: Feb 14, 2013

BILL AMENDED: Feb 12, 2013

SUBJECT: Historic County Courthouses.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill specifies that for purposes of the county adjusted gross income tax, certified shares may be allocated or appropriated to maintain, rehabilitate, preserve, or restore a historic county courthouse. It also specifies that, for purposes of the county economic development income tax, a project that maintains, rehabilitates, preserves, or restores a historic county courthouse is an economic development project.

The bill requires the Department of Natural Resources (DNR), Division of Historic Preservation and Archaeology, in cooperation with the Indiana State Museum and Historic Sites Corporation, to create a traveling exhibit that describes the role of historic courthouses in the history, architecture, and art of the counties and the state.

The bill establishes the Historic Courthouse Rehabilitation and Restoration Revolving Fund to provide loans to counties for rehabilitation, restoration, preservation, or maintenance of county courthouses that are listed in the National Register of Historic Places.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) *Historic Courthouse Traveling Exhibit:* The bill would require the Division of Historic Preservation and Archeology of the DNR to create a traveling exhibit in cooperation with the State Museum and Historic Sites Corporation that describes the role of historic courthouses in the history, architecture, and art of the counties and the state. The exhibit is estimated to cost \$50,000. The DNR reports there is no available funding for the exhibit.

Historic Courthouse Rehabilitation and Restoration Revolving Fund: The bill establishes the dedicated, nonreverting Revolving Fund to be administered by the Division of Historic Preservation and Archaeology. Money in the fund is to consist of loan repayments, appropriations, and gifts. Expenses of administering the Revolving Fund are to be paid from the fund. The exclusive purpose of the Revolving Fund is to provide money to loan to counties for rehabilitation, preservation, restoration, or maintenance of historic courthouses.

Historic Courthouse Loan Program: The bill establishes a loan program to be administered by the Division for the rehabilitation, preservation, restoration, or maintenance of courthouses that are listed on the National Register of Historic Places. Loans made under the program may not exceed 60% of the cost of the project or \$200,000. The interest is limited to no more than 75% of the current prime lending rate. Loan repayments must be made within a period of 10 years and must be repaid from the county's economic development income tax (CEDIT) or county adjusted gross income tax revenues (CAGIT). Currently, 83 counties have courthouses that are listed or are eligible to be listed on the National Register of Historic Places.

The state Treasurer would be required to invest any money in the fund in the same manner as state General Funds. The Treasurer should be able to accomplish the requirements of the bill within the current level of resources available.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill specifies that projects that maintain, rehabilitate, preserve or restore a historic county courthouse are allowable economic development projects or expenditures for purposes of the use of the CEDIT or CAGIT revenues. If counties choose to pursue restoration projects of their historic courthouses, the bill creates a low-cost loan program and increases the funding options available for such projects or loan repayments. Fifty-six counties have adopted CAGIT, and 78 counties have adopted CEDIT.

Explanation of Local Revenues:

State Agencies Affected: Division of Historic Preservation and Archaeology, DNR. State Treasurer.

Local Agencies Affected: County governments that have historic county courthouses.

Information Sources: Indiana Courthouse Preservation Advisory Commission report, *Indiana's Historic Courthouses, Reinvesting in Community Treasures*, August 2011; *Indiana Handbook of Taxes, Revenues, and Appropriations, FY 2012*, Indiana Legislative Services Agency, Office of Fiscal and Management Analysis.

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